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PRINCIPAL LIFE INSURANCE COMPANY

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

PRINCIPAL LIFE INSURANCE
COMPANY,

Plaintiff,

v.

VINA CUESTA STATUA, INOCENCIO S.
AMBE, CORAZON AMBE CABALES,
ESTELA D. REED, and DOES 1-10,

Defendants.

C 07 4915

Case No.

**PLAINTIFF PRINCIPAL LIFE
INSURANCE COMPANY'S COMPLAINT
IN INTERPLEADER FOR
DECLARATORY RELIEF**

JCS

Plaintiff, PRINCIPAL LIFE INSURANCE COMPANY (hereinafter referred to as
"PRINCIPAL LIFE"), by its attorneys, the law firm of WILSON, ELSE, MOSKOWITZ,
EDELMA& DICKER, LLP, hereby submits its Complaint in Interpleader and Declaratory
Relief as follows:

JURISDICTION AND VENUE

1. This Interpleader action is brought pursuant to the Federal Interpleader Statute,
U.S.C.A. Sections 1335, 1397 and 2361. U.S.C.A. Section 1335 requires subject matter
jurisdiction which is satisfied if the stake at issue is worth \$500 or more, and if the citizenship of
only one of the claimants is diverse from that of any other claimant (not including the

Plaintiff Principal Life Insurance Company's Complaint for Interpleader for Declaratory
Relief

USDC NDCA Case No:

294011.1

1 stakeholder). For the reasons set forth below these requirements are satisfied and the Federal
2 Interpleader Statute is properly invoked.

3 2. The Federal Interpleader Statute requires subject matter jurisdiction through either
4 federal question or diversity. Here, diversity jurisdiction exists pursuant to 28 U.S.C.A. 1335.

5 3. Plaintiff PRINCIPAL LIFE is a citizen of Iowa as a corporation duly organized
6 and existing under the laws of the State of Iowa with its principal place of business located in
7 Des Moines, Iowa. At all times relevant herein, PRINCIPAL LIFE is and was authorized to
8 conduct business throughout the State of California as a life insurer and conducts business in the
9 Northern District of California.

10 4. PRINCIPAL LIFE is informed and believes that Defendant VINA CUESTA
11 STATUA is the daughter of decedent Natividad A. Cuesta and a resident and citizen of
12 California.

13 5. PRINCIPAL LIFE is informed and believes that Defendant INOCENCIO S.
14 AMBE is the brother of decedent Natividad A. Cuesta and a resident and citizen of the
15 Philippines.

16 6. PRINCIPAL LIFE is informed and believes that Defendant CORAZON AMBE
17 CABALES is the cousin of decedent Natividad A. Cuesta and a resident and citizen of
18 California.

19 7. PRINCIPAL LIFE is informed and believes that Defendant ESTELA D. REED is
20 a cousin of decedent Natividad A. Cuesta and is a resident and citizen of California.

21 8. PRINCIPAL LIFE is informed and believes the amount in controversy exceeds
22 \$500.00, as the life insurance policy at issue has an uncontested face value of \$50,000.00, and a
23 net death benefit totaling \$57,433.54 which is due and owing by reason of the death of the
24 insured, Natividad A. Cuesta. Thus, there is subject matter jurisdiction pursuant to U.S.C.A.
25 Section 1335.

26 9. PRINCIPAL LIFE is informed and believes that according to 28 U.S.C.A. 1397
27 venue is proper in any judicial district in which one of the claimants resides. Therefore, the
28 United States District Court, Northern District is a proper venue because two of the claimants

(ESTELA REED and CORAZON CABALES) reside in Alameda and San Leandro, California, respectively.

10. PRINCIPAL LIFE is informed and believes that pursuant to 28 U.S.C.A Section 2361 provides for substantially expanded personal jurisdiction over the claimants. Thus, the claimants will subject to the District Court's jurisdiction once service is completed.

11. PRINCIPAL LIFE is ignorant of the true names and capacities of the Defendants, sued herein as Does 1-10, and for those reasons, sue those Defendants by fictitious names. PRINCIPAL LIFE is informed and believes, and thereon alleges, that each of the fictitiously named Defendants claims some right, title or interest in or to the proceeds of the life insurance policy which is the subject of this complaint. When PRINCIPAL LIFE ascertains the true names and capacities of the fictitiously named Defendants, it will amend this Complaint by inserting the same herein.

FIRST CLAIM FOR RELIEF

INTERPLEADER

12. PRINCIPAL LIFE re-alleges and incorporates by reference paragraphs 1 through 11 above as though fully set forth herein.

13. PRINCIPAL LIFE is informed and believes, and on that basis alleges, that Natividad A. Cuesta ("insured", "decedent" or "Cuesta") was originally insured under an adjustable life insurance policy, number 4346789, issued on December 17, 1993 for \$50,000.00 underwritten by PRINCIPAL LIFE INSURANCE COMPANY ("PRINCIPAL LIFE").

14. PRINCIPAL LIFE is informed and believes, and on that basis alleges, the application reads that her original beneficiaries were her daughter Jocelyn Ambe Cuesta, and brother, INOCENCIO S. AMBE, each to equally share the policy benefits.

15. PRINCIPAL LIFE is informed and believes, and on that basis alleges, that on September 10, 1997, decedent Cuesta changed her beneficiary designation to the following: Jocelyn A. Cuesta – Siu, daughter; INOCENCIO AMBE, brother; Vina A. Shrigley, daughter; all to share the life insurance benefit equally. She also named her grand daughter, Deneka Taylor-Siu, as a contingent beneficiary.

1 16. PRINCIPAL LIFE is informed and believes, and on that basis alleges that on July
2 1, 1999, decedent Cuesta submitted a further change of beneficiary benefit instructions, changing
3 her beneficiaries to the following: VINA AMBE CUESTA, daughter 50%; Jocelyn C. Siu,
4 daughter 25% and Deneka C. Siu, granddaughter 25%.

5 17. PRINCIPAL LIFE is informed and believes, and on that basis alleges the
6 beneficiary designation remained as set forth in paragraph 16 until December 20, 2006 when
7 decedent Cuesta change the beneficiaries to the following designations: VINA CUESTA
8 STATUA, daughter, 94%; INOCENCIO AMBE, brother, 3%; and CORAZON CABALES,
9 cousin, 3%.

10 18. PRINCIPAL LIFE is informed and believes, and on that basis alleges that on
11 April 2, 2007 decedent Cuesta allegedly executed a change of beneficiary form again changing
12 the designations set forth in paragraph 17 to ESTELA D. REED, cousin, 100%.

13 19. PRINCIPAL LIFE is informed and believes, and on that basis alleges that on
14 April 8, 2007, decedent Cuesta died from cancer.

15 20. PRINCIPAL LIFE is informed and believes, and on that basis alleges, that
16 decedent Cuesta was insured under life insurance policy number 4346789 when she died on
17 April 8, 2007.

18 21. PRINCIPAL LIFE is informed and believes, and on that basis alleges, it did not
19 receive a copy of the change in beneficiary form dated April 2, 2007, until May 3, 2007. Said
20 form was sent to PRINCIPAL LIFE by Senior Agent Eddie M. Biala after he tried to clarify the
21 designations with decedent Cuesta before her death. Mr. Biala's attempted clarification
22 emanated from his prior conversation with decedent Cuesta who at the time stated she wanted
23 her cousin, Estela Reed, and her daughter, Vina Cuesta Statua, to share the life insurance
24 proceeds.

25 22. PRINCIPAL LIFE is informed and believes, and on that basis alleges, on May 3,
26 2007, it received a claim for the life insurance proceeds at issue from Defendant VINA CUESTA
27 STATUA.

28 23. PRINCIPAL LIFE is informed and believes, and on that basis alleges, on May 3,

1 2007, it received a claim for the life insurance proceeds at issue from Defendant CORAZON
2 CABALES.

3 24. PRINCIPAL LIFE is informed and believes, and on that basis alleges, on May 5,
4 2007 it received a letter from Kenneth E. Mitchell of Mitchell, Courts & Levin LLP, counsel for
5 ESTELA D. REED. The letter stated Defendant REED was submitting a beneficiary's
6 statement, a copy of the certified death certificate, and a copy of the beneficiary change form
7 executed on April 2, 2007.

8 25. PRINCIPAL LIFE is informed and believes, and on that basis alleges, on May 5,
9 2007, it received a claim for the life insurance proceeds at issue from Defendant ESTELA
10 REED.

11 26. PRINCIPAL LIFE is informed and believes and on that basis alleges that, on or
12 after May 5, 2007, Defendant VINA CUESTA STATUA alleged the beneficiary change dated
13 April 2, 2007 was not valid. This contention placed PRINCIPAL LIFE on notice that a serious
14 dispute existed between at least two parties regarding the disbursement of the life insurance
15 proceeds.

16 27. On May 11, 2007, PRINCIPAL LIFE sent to counsel for Defendant REED and
17 counsel for Defendant VINA CUESTA STATUA a letter discussing the competing claims and
18 indicating that if the parties could not settle the dispute surrounding the distribution of the life
19 insurance proceeds from Policy No. 4346789, PRINCIPAL LIFE would move forward with an
20 Interpleader action and seek to recover its costs associated with said action.

21 28. PRINCIPAL LIFE is informed and believes, and on that basis alleges, on May 29,
22 2007, it received a claim for the life insurance proceeds at issue from Defendant INOCENCIO S.
23 AMBE.

24 29. On June 11, 2007 PRINCIPAL LIFE sent to Defendant INOCENCIO AMBE
25 correspondence regarding his claim for the life insurance proceeds indicating they were still
26 awaiting information from other parties before distributing the monies.

27 30. PRINCIPAL LIFE is informed and believes and on that basis alleges, the
28 Defendants have never communicated resolution of the issue surrounding the distribution of life

1 insurance proceeds from policy number 4346789.

2 31. By reason of the decedent's death, the life insurance proceeds under PRINCIPAL
3 LIFE insurance policy number 4346789 are due and owing. At the time of the insured's death,
4 the face amount was Fifty Thousand dollars and no cents (\$50,000.00) and the net benefit due is
5 Fifty Seven Thousand Four Hundred Thirty three dollars and Fifty four cents (\$57,433.54).

6 32. PRINCIPAL LIFE at all times mentioned in this Complaint has been, and is
7 ready, willing, and able, to pay the life insurance proceeds under policy number 4346789 to the
8 person or persons legally entitled thereto. However, PRINCIPAL LIFE is informed and
9 believes, and on that basis alleges, that there are actual and/or potential conflicting claims
10 relating to the life insurance proceeds.

11 33. PRINCIPAL LIFE is informed and believes, and on that basis alleges, that
12 Defendants and each of them, are persons known to PRINCIPAL LIFE to be, or who may be,
13 asserting some right, title, or interest in or to all of a portion of the proceeds of the life insurance
14 policy which is the subject of this Complaint, and that there may be conflicting potential
15 demands upon PRINCIPAL LIFE, specifically:

16 a. PRINCIPAL LIFE is informed and believes, and on that basis alleges that
17 Defendant VINA CUESTA STATUA, as the daughter of decedent Cuesta, is
18 claiming entitlement to the proceeds of the life insurance policy, number
19 4346789, as a named primary beneficiary before the alleged beneficiary change
20 on April 2, 2007 to Defendant ESTELA D. REED, 100%, and had been a named
21 primary beneficiary as far back as 1999.

22 b. PRINCIPAL LIFE is informed and believes, and on that basis alleges that
23 Defendant CORAZON AMBE CABALES, as the cousin of decedent Cuesta, is
24 claiming entitlement to the proceeds of the life insurance policy, number
25 4346789, as a named primary beneficiary before the alleged beneficiary change
26 on April 2, 2007 to Defendant ESTELA D. REED, 100%, and had been a named
27 primary beneficiary since December 2006.

1 c. PRINCIPAL LIFE is informed and believes, and on that basis alleges that
2 Defendant INOCENCIO S. AMBE, as the brother of decedent Cuesta, is claiming
3 entitlement to the proceeds of the life insurance policy, number 4346789, as a
4 named primary beneficiary before the alleged beneficiary change on April 2, 2007
5 to Defendant ESTELA D. REED, 100%, and had been named a primary
6 beneficiary since 1993.

7 d. PRINCIPAL LIFE is informed and believes, and on that basis alleges that
8 Defendant ESTELA D. REED, cousin to decedent Cuesta, is claiming entitlement
9 to the proceeds of the life insurance policy, number 4346789, as the new primary
10 beneficiary which change occurred 6 days before decedent Cuesta died from
11 cancer.

12 34. By reason of the actual and potential conflicting claims to the life insurance
13 proceeds, PRINCIPAL LIFE does not know and cannot determine the person or persons legally
14 entitled to payment.

15 35. PRINCIPAL LIFE is unable to determine with certainty the validity of the
16 conflicting demands that are or may be made by Defendants herein as described above, and
17 cannot determine whom to pay in light of the actual and potential competing claims of the
18 decedent's alleged change in beneficiary on April 2, 2007, prior beneficiary change in December
19 2006, the claim of decedent's daughter, her brother, or her cousins. Additionally, PRINCIPAL
20 LIFE may be exposed to multiple claims or liability should it make payment of any, or all, of the
21 balance of the benefits to an individual not entitled to the benefits.

22 36. PRINCIPAL LIFE claims no interest in the balance of the life insurance proceeds,
23 or any part thereof, other than as a mere stakeholder of those proceeds, and as a result of the
24 actual and potential conflicting, but apparently potentially valid claims of the Defendants, is
25 indifferent as to which Defendant should receive the death benefit proceeds. Accordingly,
26 PRINCIPAL LIFE files this Complaint in good faith and without collusion with any of the
27 parties hereto to resolve all disputes over the life insurance proceeds.

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1 37. Concurrent with the filing of this Complaint PRINCIPAL LIFE has deposited
2 with the Clerk of this Court there to remain until the outcome of this action a check totaling Fifty
3 Seven Thousand Four Hundred Thirty three dollars and Fifty four cents (\$57,433.54), which
4 represents the net benefit due under life insurance policy number 4346789, and interest since the
5 date of Natividad Cuesta.

6 38. PRINCIPAL LIFE has retained the services of attorneys in California for the
7 purpose of protecting its interests arising out of the Defendants' actual and/or potential
8 conflicting claims, and PRINCIPAL LIFE will be called upon to pay those attorneys for those
9 services that they render in that regard. PRINCIPAL LIFE also will be compelled to incur costs
10 and disbursements in the prosecution of this action. Those attorney's fees, costs and
11 disbursements are and should be a legal charge upon the proceeds of life insurance policy,
12 number 4346789 and should be repaid to PRINCIPAL LIFE out of the funds that it has
13 concurrently deposited with the Clerk of this Court.

14 39. All named and fictitiously named Defendants have potential claims to the life
15 insurance proceeds from policy 4346789.

16 40. PRINCIPAL LIFE cannot determine, without hazard to itself, which Defendants'
17 claim or claims or potential claim or claims are or may be valid. Defendants should be required
18 to assert their respective claims to the life insurance policy proceeds from number 4346789 and
19 litigate these claims among themselves.

20 41. PRINCIPAL LIFE has no other means of protecting itself from the vexation of
21 duplicative claims and therefore is entitled to interplead the life insurance proceeds into this
22 Court, to obtain judgment releasing PRINCIPAL LIFE from further participation in this matter,
23 and for its fees and costs in interpleading the funds.

24 42. PRINCIPAL LIFE is entitled to a permanent injunction against all Defendants
25 enjoining them from instituting or prosecuting any proceeding in any State or United States
26 Court against PRINCIPAL LIFE, arising from life insurance policy number 4346789 or the
27 benefits payable there under, and requiring the Defendants to make any claim they might have
28 with regard thereto in this action.

SECOND CLAIM FOR RELIEF

DECLARATORY RELIEF

43. PRINCIPAL LIFE re-alleges and incorporates by reference paragraphs 1 through 42 above as though fully set forth herein.

44. Actual and potential controversies have arisen and now exist between Defendants and PRINCIPAL LIFE concerning monies payable under life insurance policy number 4346789, specifically as follows:

a. PRINCIPAL LIFE is informed and believes, and on that basis alleges that Defendant VINA CUESTA STATUA, as the daughter of decedent Cuesta, is claiming entitlement to the proceeds of the life insurance policy, number 4346789, as a named primary beneficiary before the alleged beneficiary change on April 2, 2007 to Defendant ESTELA D. REED, 100%, and had been a named primary beneficiary as far back as 1999.

b. PRINCIPAL LIFE is informed and believes, and on that basis alleges that Defendant CORAZON AMBE CABALES, as the cousin of decedent Cuesta, is claiming entitlement to the proceeds of the life insurance policy, number 4346789, as a named primary beneficiary before the alleged beneficiary change on April 2, 2007 to Defendant ESTELA D. REED, 100%, and had been a named primary beneficiary since December 2006.

c. PRINCIPAL LIFE is informed and believes, and on that basis alleges that Defendant INOCENCIO S. AMBE, as the brother of decedent Cuesta, is claiming entitlement to the proceeds of the life insurance policy, number 4346789, as a named primary beneficiary before the alleged beneficiary change on April 2, 2007 to Defendant ESTELA D. REED, 100%, and had been named a primary beneficiary since 1993.

d. PRINCIPAL LIFE is informed and believes, and on that basis alleges that Defendant ESTELA D. REED, cousin to decedent Cuesta, is claiming entitlement to the proceeds of the life insurance policy, number 4346789, as the new primary

1 beneficiary which change occurred 6 days before decedent Cuesta died from
2 cancer.

3 45. By reason of the foregoing, there now exists actual and potential, justiciable
4 controversies among the parties. The Court is vested with the power to declare and adjudicate
5 the rights and legal relationships of the parties to this action with reference to the issues raised by
6 this Complaint.

7 46. PRINCIPAL LIFE therefore desires a judicial determination of the rights and
8 obligations of each of the parties to this action with respect to life insurance policy number
9 4346789 in conformity with the allegations set forth herein.

10 47. A judicial determination is necessary and appropriate at this time in order that
11 each of the parties may ascertain their respective rights and duties as to one another and may
12 conduct themselves accordingly now and in the future.

13 **PRAYER**

14 WHEREFORE, PRINCIPAL LIFE prays for judgment against all Defendants as follows:

15 1. That this Court decree that the Complaint is properly filed and that this is a proper
16 cause for Interpleader;

17 2. That the Clerk of this Court be authorized and directed to accept the funds
18 interplead by this action and to deposit the same into the Court's registry held in an interest
19 bearing account;

20 3. That Defendants each be compelled to interplead or settle among themselves their
21 respective rights or claims to the proceeds due and payable under life insurance policy number
22 4346789 by reason of the insured's death;

23 4. That the Court enter an Order restraining Defendants, and each of them, from
24 instituting or prosecuting any proceeding in any State or United States Court against
25 PRINCIPAL LIFE with respect to the life insurance policy number 4346789 and the proceeds
26 payable there under;

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1 5. That having deposited benefit proceeds from life insurance policy number
2 4346789 with the Clerk of the Court, PRINCIPAL LIFE be discharged from all liability to
3 Defendants, and each of them, in this action or under the life insurance policy number 4346789.

4 6. That PRINCIPAL LIFE be awarded its cost of suit incurred herein, including its
5 reasonable attorney's fees, to be paid out of the funds PRINCIPAL LIFE deposited with the
6 Clerk of the Court; and

7 7. For such other and further relief as the Court deems just and proper.

8
9 Date: September 21, 2007 WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP

10
11 By: 

12 Adrienne C. Publicover

13 Michael K. Brisbin

14 Attorneys for Plaintiff

15 **PRINCIPAL LIFE INSURANCE COMPANY**